

Aon Hewitt Health Care Cost Analysis Results for Milwaukee

Year	Milwaukee – Percentage Increase	Milwaukee– Cost Per Employee	National – Percentage Increase	National – Cost Per Employee
2013*	6.1 percent	\$13,471	6.3 percent	\$11,188
2012	5.2 percent	\$12,691	4.9 percent	\$10,522
2011	8.2 percent	\$12,058	8.5 percent	\$10,034
2010	7.0 percent	\$11,140	6.2 percent	\$9,246
2009	5.1 percent	\$10,408	5.0 percent	\$8,703
2008	6.0 percent	\$9,900	5.3 percent	\$8,290
2007	1.2 percent	\$9,344	5.3 percent	\$7,874

*Projected

*Costs are total plan costs (premium or budget rate) on a per employee basis. It includes employee contributions, but not their co-pays.

Average Employee Contribution for Employee Coverage

According to Aon Hewitt data, the average employee contribution nationally in 2012 was \$2,204 representing 20.9 percent of the overall health care premium and up from \$2,090 in 2011.

Year	Milwaukee – Average Employee Cost	National – Average Employee Cost
2013*	\$2,508	\$2,385
2012	\$2,322	\$2,204
2011	\$2,265	\$2,090
2010	\$2,104	\$1,927
2009	\$1,995	\$1,797
2008	\$1,921	\$1,691
2007	\$1,733	\$1,567

*This represents the employee contribution to the overall health plan premium and does not represent out-of-pocket costs (i.e. co-payments, coinsurance).

Average Employee Out-of-Pocket Costs (i.e., co-payments and coinsurance)

According to Aon Hewitt data, the average out-of-pocket cost for employees in 2012 was \$2,200, up from \$2,072 in 2011. For Milwaukee, the average out-of-pocket cost in 2012 was \$2,916, up from \$2,681 in 2011.

Year	Milwaukee – Average Employee Out-of-Pocket Cost	National – Average Employee Out-of-Pocket Cost
2013*	\$3,206	\$2,429
2012	\$2,916	\$2,200
2011	\$2,681	\$2,072
2010	\$2,420	\$1,761
2009	\$2,175	\$1,580
2008	\$2,053	\$1,508
2007	\$1,763	\$1,364

*Projected

Cost By Plan Type

On average, Aon Hewitt forecasts that companies will receive 2013 cost increases of 6.1 percent for point-of-service (POS) plans, 7.0 percent for health maintenance organization plans (HMOs), and 6.1 percent for preferred provider organizations (PPOs).

That means from 2012 to 2013, the average cost per person for major companies is estimated to increase from \$10,659 to \$11,405 for HMOs, \$10,433 to \$11,069 for PPOs and \$11,062 to \$11,737 for POS plans.

Year	HMO	POS	PPO	National
2013*	\$11,405	\$11,737	\$11,069	\$11,188
2012	\$10,659	\$11,062	\$10,433	\$10,522
2011	\$10,103	\$10,657	\$9,965	\$10,034
2010	\$9,353	\$9,557	\$9,212	\$9,246
2009	\$8,693	\$8,864	\$8,764	\$8,703
2008	\$8,193	\$8,403	\$8,388	\$8,290
2007	\$7,680	\$8,062	\$8,050	\$7,874

Health Care Trends by Plan Type and Region (2011-2012)

	HMO	POS	PPO	Total
East	6.1%	3.7%	3.4%	4.1%
Southeast	5.1%	4.9%	3.8%	4.3%
Midwest	4.5%	2.4%	5.4%	4.9%
Southwest	5.2%	6.4%	5.1%	5.1%
West	6.7%	2.6%	5.4%	5.8%
National	5.5%	3.8%	4.7%	4.9%

2012 Cost Increases by Major Metropolitan Area

In 2012, major U.S. markets that experienced rate increases higher than the national average included San Antonio (7.4 percent), San Francisco/Oakland/San Jose (7.4 percent), Los Angeles (7.2 percent) and Orlando (6.9 percent). Conversely, Minnesota (3.2 percent), Dallas (3.4 percent), Cincinnati (3.6 percent), Denver (4.5 percent), New York City (4.5 percent), Washington D.C. (4.7 percent) and Philadelphia (4.9 percent) experienced lower-than-average rate increases in 2012.

About the Data

Aon Hewitt's data is derived from the Aon Hewitt Health Value Initiative database, which captures health care cost and benefit data for 466 large U.S. employers representing 14.9 million participants, more than 1,200 plans and \$63.1 billion in 2012 health care spending.

About Aon Hewitt

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